

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1899 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 insurance.
- 4 Delete everything after the enacting clause and insert the
- 5 following:
- 6 "SECTION 1. IC 27-1-18-2 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) Every
- 8 insurance company not organized under the laws of this state, and each
- 9 domestic company electing to be taxed under this section, and doing
- 10 business within this state shall, on or before March 1 of each year,
- 11 report to the department, under the oath of the president and secretary,
- 12 the gross amount of all premiums received by it on policies of
- 13 insurance covering risks within this state, or in the case of marine or
- 14 transportation risks, on policies made, written, or renewed within this
- 15 state during the twelve (12) month period ending on December 31 of
- 16 the preceding calendar year. From the amount of gross premiums
- 17 described in this subsection shall be deducted:
- 18 (1) considerations received for reinsurance of risks within this
- 19 state from companies authorized to transact an insurance
- 20 business in this state;
- 21 (2) the amount of dividends paid or credited to resident insureds,
- 22 or used to reduce current premiums of resident insureds;
- 23 (3) the amount of premiums actually returned to residents on
- 24 account of applications not accepted or on account of policies
- 25 not delivered; and
- 26 (4) the amount of unearned premiums returned on account of the

1 cancellation of policies covering risks within the state.

2 (b) A domestic company shall be taxed under this section only in
3 each calendar year with respect to which it files a notice of election.
4 The notice of election shall be filed with the insurance commissioner
5 and the commissioner of the department of state revenue on or before
6 November 30 in each year and shall state that the domestic company
7 elects to submit to the tax imposed by this section with respect to the
8 calendar year commencing January 1 next following the filing of the
9 notice. The exemption from license fees, privilege, or other taxes
10 accorded by this section to insurance companies not organized under
11 the laws of this state and doing business within this state which are
12 taxed under this chapter shall be applicable to each domestic company
13 in each calendar year with respect to which it is taxed under this
14 section. In each calendar year with respect to which a domestic
15 company has not elected to be taxed under this section it shall be taxed
16 without regard to this section.

17 ~~(c)(1)~~ (c) For the privilege of doing business in this state, every
18 insurance company required to file the report provided in this section
19 shall pay into the treasury of this state an amount equal to **two percent**
20 ~~(2%)~~ of the excess, if any, of the gross premiums over the allowable
21 deductions **multiplied by the following rate for the year that the**
22 **report covers:**

23 (1) For 1999, two percent (2%).

24 (2) For 2000, one and nine-tenths percent (1.9%).

25 (3) For 2001, one and eight-tenths percent (1.8%).

26 (4) For 2002, one and seven-tenths percent (1.7%).

27 (5) For 2003, one and five-tenths percent (1.5%).

28 (6) For 2004 and thereafter, one and three-tenths percent
29 (1.3%).

30 ~~(c)(2)~~ (d) Payments of the tax imposed by this section shall be
31 made on a quarterly estimated basis. The amounts of the quarterly
32 installments shall be computed on the basis of the total estimated tax
33 liability for the current calendar year and the installments shall be due
34 and payable on or before April 15, June 15, September 15, and
35 December 15, of the current calendar year.

36 ~~(c)(3)~~ (e) Any balance due shall be paid in the next succeeding
37 calendar year at the time designated for the filing of the annual report
38 with the department.

39 ~~(c)(4)~~ (f) Any overpayment of the estimated tax during the
40 preceding calendar year shall be allowed as a credit against the liability
41 for the first installment of the current calendar year.

42 ~~(c)(5)~~ (g) In the event a company subject to taxation under this
43 section fails to make any quarterly payment in an amount equal to at
44 least:

45 (i) (1) twenty-five percent (25%) of the total tax paid during the
46 preceding calendar year; or

47 (ii) (2) twenty per cent (20%) of the actual tax for the current
48 calendar year;

49 the company shall be liable, in addition to the amount due, for interest
50 in the amount of one percent (1%) of the amount due and unpaid for
51 each month or part of a month that the amount due, together with

1 interest, remains unpaid. This interest penalty shall be exclusive of and
2 in addition to any other fee, assessment, or charge made by the
3 department.

4 ~~(d)~~ (h) The taxes under this article shall be in lieu of all license
5 fees or privilege or other tax levied or assessed by this state or by any
6 municipality, county, or other political subdivision of this state. No
7 municipality, county, or other political subdivision of this state shall
8 impose any license fee or privilege or other tax upon any insurance
9 company or any of its agents for the privilege of doing an insurance
10 business therein, except the tax authorized by IC 22-12-6-5. However,
11 the taxes authorized under IC 22-12-6-5 shall be credited against the
12 taxes provided under this chapter. This section shall not be construed
13 to prohibit the levy and collection of state, county, or municipal taxes
14 upon real and tangible personal property of such company, or to
15 prohibit the levy of any retaliatory tax, fine, penalty, or fee provided by
16 law. However, all insurance companies, foreign or domestic, paying
17 taxes in this state predicated in part on their premium income from
18 policies sold and premiums received in Indiana, shall have the same
19 rights and privileges from further taxation and shall be given the same
20 credits wherever applicable, as those set out for those companies
21 paying only a tax on premiums as set out in this section.

22 ~~(e)~~ (i) Any insurance company failing or refusing, for more than
23 thirty (30) days, to render an accurate account of its premium receipts
24 as provided in this section and pay the tax due thereon shall be subject
25 to a penalty of one hundred dollars (\$100) for each additional day such
26 report and payment shall be delayed, to be recovered in an action in the
27 name of the state of Indiana on the relation of the department of
28 insurance, in any court of competent jurisdiction, and it shall be the
29 duty of the department to revoke all authority of such defaulting
30 company to do business within this state, or suspend such authority
31 during the period of such default, in the discretion of the department."

(Reference is to HB 1899 as printed February 26, 1999.)

Representative FRIEND